

MEMORANDUM TO MESSRS. JACKSON
DULLES

December 23, 1948.

Herewith a draft of a summary chapter. I have no pride of authorship and I hope you will feel free to change this in any way at all that it ought to be changed.

MFC

CHAPTER I.

SUMMARY

The Committee believes that it will be helpful in following the detailed discussion contained in the main body of this Report to have at the outset a brief summary of the approach of the Committee to the problem which it was assigned to investigate and of the Committee's principal findings and conclusions. This summary is in no sense intended to take the place of the detailed statement of the findings and conclusions of the Committee which is contained in Chapter .

The immediate object of the Committee's study and the focal point of its attack upon the overall intelligence problem of the United States has been the Central Intelligence Agency (CIA), its organization and activities. As a necessary corollary the Committee has had to go into the activities of other governmental intelligence agencies - at least to the extent that they bear upon the carrying out by the CIA of its assigned functions.

The Committee's Approach To Its Study of CIA.

After a brief review of the background and history of the concept of a central intelligence agency,

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we begin our consideration of the CIA with an analysis of the statute pursuant to which it was created.

CIA is set up by Section 102(d) of the National Security Act as an independent agency under the direction of the National Security Council (NSC). The NSC, in turn, is the top policy-making body within the national security organization established by the Act.

| We have considered the position of CIA within the National Security organization and in our view it is properly situated for the effective carrying out of its assigned function. We recommend, however, that CIA be empowered and encouraged to establish through its Director closer liaison with the two members of the National Security Council upon which it is mostly dependent - the Secretary of State and the Secretary of Defense.

The National Security Act as implemented by directives of the NSC imposes upon CIA responsibility for carrying out three essential functions. These are:

1. The coordination of intelligence activities.
2. The coordination of intelligence relating to the national security.
3. The performance centrally of certain services of common concern to the other intelligence agencies of the Government.

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The National Security Act as implemented by the directives of the NSC sets forth a framework upon which a sound and adequate intelligence system can be built. Accordingly, we have taken the three essential functions which CIA is charged with carrying out as the frame of reference for our examination of CIA and of the activities of other intelligence agencies of Government in relation to CIA.

CIA's Responsibility for Co-ordinating Intelligence Activities.

Under the statute CIA's function of coordinating intelligence activities is to be exercised by making recommendations to the NSC for such coordination. We believe the statutory authorization to be sufficient. Under NSC directives CIA has available to it within its own organization, administrative machinery which ought to be adequate to carry out its function of coordination. We do not feel, however, that this responsibility of CIA is being adequately met at the present time.

It is true that a number of formal directives for the coordination of intelligence activities have been issued by the NSC upon the recommendation of CIA. Except in so far as these directives specifically assigned to CIA certain common services, they have not substantially

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affected departmental intelligence activities. These activities continue to manifest the same conflicts of jurisdiction and duplication which the provision in the National Security Act for coordination was intended to eliminate.

The amount of undesirable duplication is considerable and the absence of coordinated plans and operations is serious. What is needed is a careful and continuing study by CIA of how to meet these problems and directives which establish more precisely the responsibilities of the various intelligence agencies.

The effect of this lack of coordination is particularly serious in the field of scientific and technological intelligence which today has a high, if not top priority of importance. Duplication in a field such as this may be not only wasteful, but as well dangerously harmful to the efficiency of the intelligence operation because of the extremely limited number of available qualified personnel. Another example is to be found in the various activities in the field of domestic intelligence of the FBI which at present lie entirely outside the existing machinery for the coordination of intelligence activities.

There is little evidence that the direction of CIA, or even those groups within CIA specifically charged

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with that duty, is making any continuing and intensive effort to sharpen existing directives and thereby, as well as by consultation and cooperation between the interested parties, to achieve real coordination of specific intelligence activities. There appears to be within the CIA no appreciation that the coordination of intelligence activities is one of the three major functions assigned to the Agency to which those continuing efforts should be devoted in a substantial measure.

CIA has available to it for the coordination of intelligence activities three groups. One is the Intelligence Advisory Committee (IAC) which is made up of the heads of the intelligence staffs of the departments of State, Army, Navy and Air Force and of the Atomic Energy Commission and the head of the Joint Intelligence Group of the Joint Staff. IAC, though in an advisory position to the Director of CIA and in a position to make a real contribution to effective coordination, has, up to date, had little impact upon the solution of this problem. The second organization is the Interdepartmental Coordinating and Planning Staff (ICAPS). ICAPS should be the planning staff within CIA for the coordination of intelligence activities. Actually, for a variety of reasons, it has failed to function effectively in any more than an almost completely pro forma way.

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The third group is the Office of Collection and Dissemination (OCD). OCD performs certain coordinating functions of a largely administrative and operating nature with respect to the coordination of collection requirements and capabilities. OCD lacks both the authority and responsibility necessary to make its contribution to coordination substantial.

In order to assure the fullest possible discharge by CIA of its function of coordinating activities, the Committee recommends that there be set up within CIA a reconstituted ICAPS responsible directly to the Director and charged with carrying on, on a full time basis, continuous planning for coordination of specific intelligence activities. This staff should be recognized by the Director as his major support in fulfilling one of his most important and difficult assignments under the National Security Act.

Additionally, the intelligence agencies of the several departments of Government must share in the general responsibility for carrying out effective coordination by far more active participation under the leadership of the Director of CIA in this work. IAC furnishes an appropriate machinery for this.

Finally, in order to meet the specific problem presented by the present uncoordinated activities of the

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FBI, it is recommended that the Director of the FBI be made a permanent member of IAC.

The responsibilities of OGD for coordinating collection requirements should be carried out as a subordinate activity under the reconstituted ICAPS.

In leaving this point, the Committee wishes to note its belief that coordination is most effectively achieved by agreement between the agencies to be coordinated, rather than by superimposed directive and that if leadership is supplied by CIA a major measure of coordination will be accomplished in that manner.

CIA's Responsibility for the
Coordination of Intelligence
Relating to the National
Security.

A long-felt need for the continuing coordination on the highest level of intelligence opinion relating to broad aspects of national policy and national security was probably the principal moving factor in bringing about the creation of CIA and its predecessor organization, Central Intelligence Group. The lack of any provision for the production of coordinated national intelligence of this kind was one of the most significant causes of the Pearl Harbor intelligence failure.

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Ideally, this type of national intelligence should be produced in the form of coordinated national estimates of such scope and breadth as to transcend the interest and competence of any single intelligence agency. Such estimates, to be authoritative, must be fully participated in by all of the principal intelligence agencies and all jointly should share in responsibility for them.

With one or two significant exceptions whose occurrence was largely fortuitous, it appears that CIA has not effectively carried out this most important function.

The Office of Reports and Estimates (ORE) is the office within the CIA to which responsibility for production of national intelligence is presently allocated. It is a large sprawling organization concerned with a variety of activities. A number of these activities, such as the production of daily and weekly intelligence summaries, are activities which, if they are to be carried on at all by ORE (and in the case of these summaries, this is doubtful) ought to be carried on as a common service. Where ORE produces intelligence estimates, it usually does so on the basis of its own research and analysis and offers its product as competitive with the similar product of other agencies, rather than as the coordinated result of the best intelligence product which each of the interested agencies is able to contribute.

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Nor is the failure of this type of intelligence product to meet the requirements of a coordinated national estimate substantially mitigated by the existing procedure whereby ORE circulates its estimates to intelligence agencies of State, Army, Navy and Air and obtains a formal notation of the dissent or concurrence of each such agency. It is apparent that under this procedure none of the agencies regards itself as a full participant contributing to a truly national estimate and accepting a share in the responsibility for it.

It is believed that this situation can be remedied only by the CIA recognizing the responsibility which it has under the statute and assuming the leadership in organizing its own internal structure and the intelligence agencies of Government for the production of coordinated national estimates. Within its own organization CIA ought to have, in lieu of the present ORE, a small group of highly selected individuals whose task it would be to draw upon and review specialized intelligence products of other intelligence agencies in order to prepare, subject to discussion and approval by IAC a finished national intelligence estimate. This group might appropriately be called the "Estimates Division" of CIA.

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The final process of coordination should take place in the IAC. It should, to the greatest extent practicable, consist of actual discussion and review of the proposed estimate in that body conducted under the leadership of the Director of CIA. The finished estimate should be clearly established as the product of all of the contributing agencies in which all share and for which all take responsibility.

The revised arrangements should also make appropriate provision for the handling of major emergency situations so that there is automatic consultation and collective responsibility when quick estimates are required. Further, the inclusion of FBI as a permanent member of IAC should assure that intelligence appraisals will be made in the light of all available evidence, domestic and foreign.

Performance Centrally of
Services of Common Concern.

The services of common concern which can be and which to a considerable extent are being performed by CIA can be broken down into static services consisting of intelligence research, reporting and estimating services and operating services consisting of certain types of intelligence collection.

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Static Services of Common Concern.

At the present time the static services of intelligence research and reporting are carried out in ORE. If ORE's duties in relation to the production of national intelligence are separated out as has been proposed, and assigned to a newly constituted Estimates Division, it would seem that the remaining functions presently carried out by ORE and the personnel engaged in them could appropriately be reconstituted as another and separate division of CIA.

There are a number of fields, such as economic resources, industrial production, communication, science, technological and numerous others in which every intelligence agency has some interest. At the present there is an extremely noticeable duplication in these and other fields of common interest. Centrally produced reports and estimates on such matters should result in great economy of effort and improvement of product.

Such a central research division of CIA should be staffed in part by representatives of the departmental intelligence services in order that the reports and estimates produced would represent the most authoritative and coordinated opinion and be accepted as such by the various consumer agencies.

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The planning staff for coordination of activities of the Director of CIA, assisted by the IAC should review the question as to what subjects might appropriately be assigned to the new research division of CIA for central research and report. In particular, the desirability of the continuance of publication by CIA of a number of essentially political summaries which it now publishes should be reviewed to determine whether or not such summaries might more appropriately be prepared in and circulated by the State Department which should be better equipped to perform that function.

The new Research Division of CIA, as it might ^{appropriately} be called, appropriately would appear to be the logical focal point for the coordination and centralization of scientific intelligence. The organization within this division of a scientific branch, staffed by highly qualified personnel and empowered to draw upon the scientific personnel of such organizations of Government as the Research and Development Board and the Atomic Energy Commission for the purpose of dealing with the problems in specialized fields, is a project which should have the highest priority.

Finally, it is believed that the director of the newly constituted Research Division, together with

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the directors of the reconstituted ICAPS and of the newly formed Estimates Division should be the immediate staff of the Director of CIA.

Operating Services of Common Concern.

The operating services of common concern presently performed by CIA consist of the collection of overt intelligence through the Office of Operations (OO), the collection of secret intelligence through the Office of Special Operations (OSO), and the conduct of secret operations through the Office of Policy Coordination (OPC).

It is believed that all of these services are appropriately allocated to CIA. We feel, however, that these separate and different operating functions are so essentially inter-related and to a large extent, even inter-dependent, that they ought to have a common direction centralized at some point, in the organization of CIA, below the Director.

It is our further view that the general administrative requirements and problems of these operating offices are of a unique character and differ importantly from the corresponding problems of the divisions of CIA concerned with coordination and research. Accordingly, we feel that performance of administrative services for

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these three operating offices should be centered in a single administrative office which, in turn, would be responsible directly to the official of CIA charged with direction of all three operating services.

It is apparent that if these last two recommendations are carried out, all of the operating services would be combined in one branch or division of CIA which will be self-sufficient as to administration and semi-autonomous under a single directing head who, assumedly, would be a deputy or assistant director. This result, the Committee believes, would meet to a large extent, the argument frequently voiced that it is essentially unsound to combine in a single intelligence agency operating and coordinating functions.

This is probably the most important single recommendation the Committee has to make with respect to the operating offices of CIA. There are a number of other points, however, in respect of which their operations could be bettered and made more effective.

Thus, for example, the OSO in its collection of secret intelligence needs to have a much closer liaison with other intelligence agencies, especially those of the military services and of the State Department which are its chief consumers and which should be able to guide, more effectively than they presently do, its collection

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efforts.

The operating activities of CIA suffer as well from the general lack of coordination of intelligence activities.

The official of CIA charged with direction of the three operating offices should work closely with the Director and his immediate staff as it would be constituted under these requirements. From them he should be able to receive a very high degree of policy guidance as to the objectives of his operation.

The Organization and Direction
of CIA.

From the ^{recommendations} ~~recommendations~~ we have thus ~~summarized~~ far summarized, it is apparent that the principal defect in the organization of CIA is that it does not reflect a sufficient understanding or appreciation of the Agency's assigned functions. Especially is this true of its coordinating functions. The result has been that CIA has tended to become just one more intelligence agency producing intelligence in competition with older established agencies of the Government departments.

There are a number of aspects of the organization and administration of CIA which are worthy of

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comment, but it is felt that these are best left for the detailed discussion which is contained in the ensuing chapters. There is one overall point to be made with respect to the administration of CIA. It is that CIA is over-administered in the sense that considerations of purely administrative efficiency have been allowed to guide and, on occasion, even control intelligence policy to the detriment of the latter.

Obviously, since it is the task of the Director of CIA to see that the Agency carries out its assigned functions, the failure of the Agency to do so is necessarily a reflection of inadequacies of direction. In connection with the problem of the direction of CIA, we have carefully considered whether or not the Director ought to be a civilian. It is our conclusion that the nature of the work of the agency is such that continuity of office in that post is essential. For this reason, as well as because we deem freedom from service ties desirable, we believe that the Director should be a civilian. By this recommendation we do not mean to exclude the possibility that the post may be held by a qualified military man who has severed his connection with the service by retirement.

While we recognize that organization charts can never replace individual initiative and ability, it

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is our hope that CIA, reorganized along the functional lines we have indicated in this report, would be able more effectively to carry out the duties assigned it by law and thus bring our overall intelligence system closer to that high point of efficiency which, under conditions in the world today, it is imperative that it ~~have~~ reach.

CONCLUSION

We close this brief summary of the report with the same caveat with which we began it. This summary is and can be no more than a most general outline of a few of the high points of the report.